



B U I L D

PARTNERING WITH CALIFORNIA NEIGHBORHOODS



Program Overview

Principals

Investment Strategy

How We Decide on Projects

Types of Projects

Program Overview

BUILD is an urban infill real estate developer & investor

- \$100 million CalPERS Investment
- Focused on San Francisco Bay Area
- Undertaking three types of activities: Land development, Building and Investing
- High density residential mixed use
- Affordable Housing Component

Principals

- Carol Galante, President
- Lydia Tan, Executive Vice President
- Terezia Nemeth,
Director of Investment & Development
- Supported by a Team of Project and
Asset Managers

Investment Strategy

- Focus on Underutilized Neighborhoods
- Select Sites with Potential for Significant Value Growth
- Public and Community Partnerships
- Target Moderate Income Market
- Projects with Large Impact for Change

How we decide on projects

- Meet CalPERS return criteria
- Creation or Preservation of Housing
- Smart Growth: Urban infill location, near services, public transportation, existing public infrastructure
- Meets three or more of the program goals – including:

Investment Goals

- ◆ **In Redevelopment Area or Enterprise Zone**
- ◆ **Brownfield site**
- ◆ **Underutilized property**
- ◆ **Lower income community**
- ◆ **Creates opportunity for job creation**
- ◆ **Implements all or portion of community adopted plan**
- ◆ **Provides public benefit and obtains public funds**
- ◆ **Meets BRIDGE Housing Corp's development criteria**
- ◆ **Located near transit providing regional access**
- ◆ **Reuse of surplus public property (City, State, Federal)**
- ◆ **Public or nonprofit partner**
- ◆ **Maximize level of affordable housing in project**

Types of Projects

Land Development	Central Station, Oakland (28 acres) 901 San Antonio Rd, Palo Alto (12 acres)
Building Development	Linden Lofts, Oakland (50 live work units) <i>(potential)</i>
Joint Ventures	901 San Antonio Rd, Palo Alto (150 condominiums) <i>(potential)</i>
Acquisition/Rehab	None at this time
Equity Investment	R Street, Sacramento (26 or 36 units) Several potential ones

Projects

901 San Antonio Road, Palo Alto

- High Density Condominium and Townhouse Development on 4 acres
- Collaborating on entitlements with Campus for Jewish Life – owns 8 acres
- Redevelopment of Existing Commercial/Industrial Site
- Nearby groundwater contamination issues



901 San Antonio Road
Palo Alto



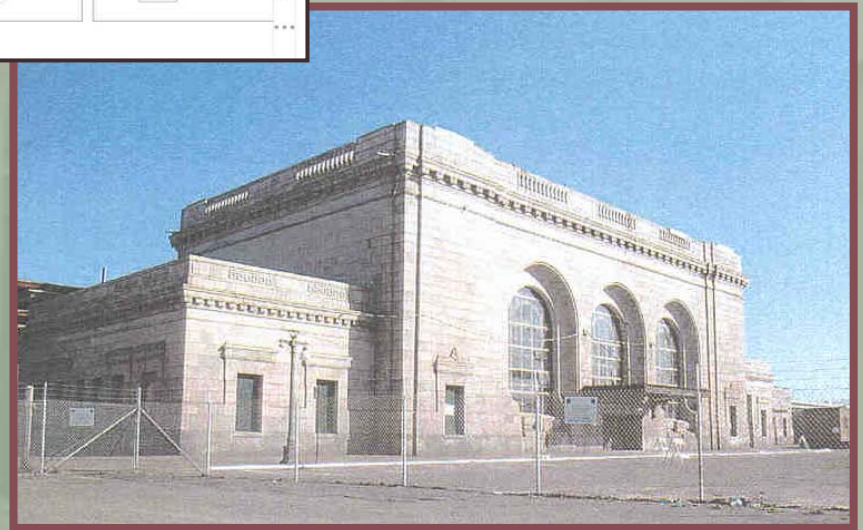
Projects

Central Station, Oakland

- 28 Acres of Land in West Oakland being entitled (BUILD owns 16.5 acres)
- Rehabilitation of Historic Train Station as Community Asset
- Transformation of Industrial Site into Land Ready for approx. 1500 units of Residential Development
- Addition of Neighborhood Open Space



Central Station Oakland



Projects

R Street, Sacramento



- Capers new office complex in Sacramento
- BUILD investing in 26 bft-style for-sale units
- We will not be the developers – we are the “equity” source

Common Themes

- Greatest impact in a neighborhood occurs through large scale land development projects
- Land development occurs on sites which require changes in zoning entitlements – these are long processes – so it takes longer to generate financial returns on upfront capital
- Most of these sites have environmental issues which increase cost & schedule
- Smaller building projects are faster but have less impact on the neighborhood

Common Themes

- Investing in other developer's projects maximizes our ability to create change in a neighborhood without investing large staff resources
- However, reduces our direct involvement in the project and therefore our ability to meet most of our goals

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